GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2998
ANSWERED ON:10.08.2000
FOREIGN EQUITY IN OIL SECTOR
M.V.CHANDRASHEKHARA MURTHY;RAMESH CHAND TOMAR

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government have allowed 100 percent foreign equity in oil sector in the country:

(b) if so, the reasons therefor;

(c) whether 100 percent foreign equity would have any adverse impact on oil sector PSUs;

(d) if so, the details thereof; and

(e) the steps taken by the Government to save them?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (e): With a view to attracting foreign investment, Government have allowed 100 percent foreign equity in the exploration and refining activities in oil sector in the country which are highly capital intensive. Consumers would eventually be benefited due to induction of better technology, improved productivity, quality products, better business practices, competition, etc. Government have initiated a number of measures to improve their performance. These, inter-alia, include improvement in production and productivity, upgradation of technology, product developments, reduction in input cost, various cost control measures, research and development activities, etc.. Government is constantly monitoring their performance. The process of review by the Government is a continuous one.